

Section 23334 is amended to read:

### **§23334. Tax Clearance.**

(a) In General. ~~The corporation must obtain a tax clearance from the Franchise Tax Board prior to dissolution or withdrawal. Whenever a corporation that is subject to the franchise tax under Part II of Division 2 of the Revenue and Taxation Code desires to dissolve, withdraw, or merge with another corporation, that corporation remains subject to the franchise tax (including the minimum franchise tax) until a tax clearance certificate has been obtained from the Franchise Tax Board, filed with the Secretary of State, and the dissolution, withdrawal, or merger has been completed.~~ Within 30 days after receipt of the request for a tax clearance certificate, the Franchise Tax Board will either issue the tax clearance certificate or inform the taxpayer of the conditions precedent to the issuance of the clearance.

(b) Requirements to Obtain Tax Clearance Certificate. ~~If the liability cannot be determined within the 30-day period, a A bond, or deposit, or assumption of liability may be required to secure any tax which may be found to be due. In certain cases a clearance will be given upon the filing of an assumption of liability.~~ However, issuance of the tax clearance certificate does not relieve the corporation or its transferees of liability for any tax due or found to be due under ~~Chapter 2~~ Part 11 of Division 2 of the Revenue and Taxation Code.

(c) Suspended or Forfeited Corporations. The Franchise Tax Board cannot issue a tax clearance certificate to a suspended or forfeited corporation. In order for a suspended or forfeited corporation to receive a tax clearance certificate, the suspended or forfeited corporation must first be revived to "good standing." (See Revenue and Taxation Code sections 23301, et seq.)

(d) Foreign Corporations. In the case of a foreign corporation which is in the process of withdrawing entirely from ~~the~~ this State, a bond is generally required for the issuance of the tax clearance certificate, if requested prior to the determination of the liability.

(e) Other Organizations. Organizations that are not incorporated or qualified to do business in California through the office of the Secretary of State are not required to dissolve or withdraw through the Secretary of State. However, they are still required to file a final return with the Franchise Tax Board after they cease operating within the normal time frame specified for filing the return.

NOTE: Authority cited: Section 26422 19503, Revenue and Taxation Code. Reference: Section 23334, Revenue and Taxation Code.